ASX MARKET & MEDIA ANNOUNCEMENT

11 August 2017

FINBAR FORECASTS ~$9.6M OPERATING PROFIT FOR FY17

- **Finbar forecasts reporting net profit of ~$5.1 million after tax.**
- **Finishing the year with $67 million cash and $138 million in completed stock.**
- **No debt on completed stock subsequent to balance date.**
- **21 years of consecutive profit.**
- **Final dividend of $0.03 per share declared.**

Perth, 11 August 2017: Western Australia's leading apartment development company, Finbar Group Limited (ASX: FRI) (**Finbar** or **the Company**) anticipates that it will be reporting an operating profit of approximately $9.6 million and an after tax net profit of approximately $5.1 million after investment property impairments totalling $4.5 million.

Finbar Managing Director, Darren Pateman said, "FY17 has been the most challenging year for the company to date with decreased sale volumes generally as well as a large number of settlements for our recently completed Concerto project falling into the FY18 reporting period. Further, impairments to book valuation on our investment income assets at Fairlanes, East Perth and Pelago, Karratha, have materially impacted us again this year."

"Our core business has been operating in a subdued property market which is only recently showing signs of stabilising. Notwithstanding the soft market conditions, Finbar has achieved its 21st year of consecutive profit."

Finbar is using the market conditions to ensure it has a balance sheet unburdened with debt, and as such, Finbar currently has no development debt for any project not under construction. This has resulted in Finbar finishing the year with a healthy $67 million in cash and $138 million in completed stock available at retail value for immediate sale, $75.5 million of which is attributable to Finbar (after joint venture interests), and on sale and settlement will immediately bolster the company's cash position by an equivalent amount for continued deployment into new construction commencements for pre-sold projects.

"Recognising where we are in the lows of a market cycle, our focus this year has been to solidify our market share position amid reduced competitive activity. Our continued marketing focus has resulted in the successful sale of 70 per cent of the completed stock held at the commencement of the financial year."

“Our office has also focused on ensuring we have viable new projects, despite the conditions, and as such both Aurelia and Aire are now substantially under construction and we anticipate construction commencement on both Vue Tower and Reva by the end of the calendar year. Together these projects comprise 694 units and $434 million in end value.”

“In all Finbar has a project pipeline of $2 billion with no debt on undeveloped land, $1 billion of which has development approval ensuring we are well positioned to take advantage of the industry’s response to improved market conditions as the recovery from the bottom of the cycle begins,” Mr Pateman said.

Finbar Directors have resolved to announce a final dividend of 3 cents per share fully franked. Combined with the 3 cent interim dividend paid in March 2017. This dividend will result in a total fully franked dividend of 6 cents per share for FY17.

Full dividend details are contained in a separate notice to follow today.

For further information, please visit www.finbar.com.au or contact:

Darren Pateman
Managing Director
Finbar Group Limited
Email: darren@finbar.com.au

Inspire Public Relations
Georgia Cameron
Tel: +414 514 912
Email: georgia.cameron@inspirepr.com.au

Finbar Group Limited, its controlled entities and its jointly controlled entities, is a property development company whose core business lies in the development of medium to high density residential apartments and commercial property within the Perth Metropolitan Area and the Pilbara within the State of Western Australia.